

SENATE BILL 3032

By Beavers

AN ACT to amend Tennessee Code Annotated, Title 5 and  
Title 8, relative to management of county funds.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 5-8-201(a)(1), is amended by  
deleting the subdivision and by substituting instead the following:

(1) Notwithstanding any general law or private act to the contrary, at least once every four (4) years or not less than thirty (30) days nor more than sixty (60) days following any election for county trustee, whichever first occurs, the county legislative body meeting in regular session, a quorum being present, shall adopt a resolution to contract with the bank or banks making the highest and best bid or bids to pay interest on daily balances of the county's funds; and to appoint three (3) of its members, who, in conjunction with the county trustee and county mayor, shall constitute the county finance committee, with the county mayor serving as chair of the committee. The county finance committee shall contract with such bank or banks within three (3) months following adoption of such resolution, and the term of the contract or contracts shall not exceed two (2) years.

SECTION 2. Tennessee Code Annotated, Section 5-8-201(a)(2), is amended by  
deleting the first sentence and by substituting instead the following:

Before making any such contract, the trustee shall seek bids from five (5) or more banks doing business within the county, region, or state and shall file an analysis of the bids submitted with the county clerk who shall provide a copy of this report to each member of the county legislative body on or before the next meeting of the county legislative body.

SECTION 3. Tennessee Code Annotated, Section 5-8-201(c), is amended by deleting the subsection and by substituting instead the following:

(c) Notwithstanding any general law or private act to the contrary, if the county legislative body fails to timely adopt the required resolution or if the county finance committee fails to timely contract as required by subdivision (a)(1), then it is the duty of the county trustee to make a contract or contracts according to the same bidding requirements and other terms as are required by this part for the county finance committee; and the term of the contract or contracts shall not exceed two (2) years.

SECTION 4. Tennessee Code Annotated, Section 5-8-301(b)(2), is amended by inserting the following language immediately after the first sentence:

However, notwithstanding any general law or private act to the contrary, prior to a county making any investment pursuant to this subdivision (b)(2), the trustee shall seek bids from five (5) or more banks doing business within the county, region, or state in order to assure that the county receives the highest and best rate of return on each certificate of deposit or other evidence of deposit.

SECTION 5. Tennessee Code Annotated, Section 5-21-104(e)(2), is amended by deleting the language "necessary to an efficient system." and by substituting instead the following:

necessary to an efficient system; provided, however, no such policy, procedure, or regulation shall conflict with § 5-8-201 or §5-8-301, as amended by this act.

SECTION 6. This act shall take effect July 1, 2008, the public welfare requiring it.